



STATE OF ARIZONA
Department of Health Services
NOTICE OF REQUEST FOR PROPOSALS

**ARIZONA DEPARTMENT OF
HEALTH SERVICES**
1740 W. Adams Street, Room 303
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

SOLICITATION NUMBER:

SOLICITATION NUMBER: HP861222

SOLICITATION DUE DATE/TIME:

February 27, 2008 3:00 pm- Local Time

SUBMITTAL LOCATION:

**Arizona Department of Health Services
Office of Procurement
1740 West Adams Street, Room 303
Phoenix, Arizona 85007**

DESCRIPTION:

WIC Food Instrument and Coupon Processing Service

PRE-OFFER CONFERENCE:

**February 6,
2008**

9:00 am

**1740 W. Adams Street
Basement; Rm. 005
Phoenix, AZ**

Date

Time

Location

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the services specified will be received by the Arizona Department of Health Services at the above specified location, until the time and date cited. Offers received by the correct time and date will be opened and the name of each Offeror will be publicly read. To obtain a copy or review the solicitation, log onto www.azdhs.gov and click on the Quick Links Procurement site. If obtaining a copy via the internet, potential Offerors should check periodically for any updates to the above solicitation. **Amendments may be issued to this solicitation at any time. It is the responsibility of the supplier/Offeror to routinely check the ADHS website for solicitation amendments.**

Offers must be in the actual possession of the Arizona Department of Health Services on or prior to the time and date, and at the location indicated above. **Late offers will not be considered.**

Offers must be submitted in a sealed envelope or package with the Solicitation number and the Offeror's name and address clearly indicated on the envelope or package. All offers must be completed in ink or typewritten. Additional instructions for preparing an offer are included in this solicitation.

With 72 hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests are to be addressed to the Solicitation Contact Person named below.

OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION

Solicitation Contact Person:

Richard Szawara

Name

(480)-203-6866 / szawarr@azdhs.gov

Telephone Number / Email

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UNIFORM INSTRUCTIONS TO OFFERORS

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A. Definition of Terms. As used in these Instructions, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.
2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. *"Contractor"* means any person who has a Contract with the State.
5. *"Days"* means calendar days unless otherwise specified.
6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *"Offer"* means bid, proposal or quotation.
8. *"Offeror"* means a vendor who responds to a Solicitation.
9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *"Solicitation"* means an Invitation for Bids ("IFB"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
11. *"Solicitation Amendment"* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
12. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
13. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

B. Inquiries

1. **Duty to Examine.** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its' Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. **Solicitation Contact Person.** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. **Submission of Inquiries.** The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.

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4. **Timeliness.** Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. **No Right to Rely on Verbal Responses.** An offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
7. **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. **Persons With Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C. Offer Preparation

1. **Forms: No Facsimile, Telegraphic or Electronic Mail Offers.** An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
2. **Typed or Ink; Corrections.** The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. **Evidence of Intent to be Bound.** The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
4. **Exceptions to Terms and Conditions.** All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - i. **Invitation for Bids.** An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - ii. **Request for Proposals.** All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
5. **Subcontracts.** Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
6. **Cost of Offer Preparation.** The State will not reimburse any Offeror the cost of responding to a Solicitation.

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7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
9. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
- 9.1 Employee Identification. Offeror agrees to provide an employee identification number or social security number to the Department for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials.
This submission is mandatory under 26 U.S.C. § 6041A.
10. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
11. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
12. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 12.1 Special Terms and Conditions;
 - 12.2 Uniform Terms and Conditions;
 - 12.3 Statement or Scope of Work;
 - 12.4 Specifications;
 - 12.5 Attachments;
 - 12.6 Exhibits;
 - 12.7 Special Instructions to Offerors;
 - 12.8 Uniform Instructions to Offerors.
 - 12.9 Other documents referenced or included in the Solicitation.
13. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

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D. Submission of Offer

1. **Sealed Envelope or Package.** Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
2. **Offer Amendment or Withdrawal.** An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
3. **Public Record.** All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State.

If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.

4. **Non-collusion, Employment, and Services.** By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
 - i. The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - ii. The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. **Unit Price Prevails.** In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. **Prompt Payment Discount.** Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
3. **Late Offers.** An Offer submitted after the exact Offer due date and time shall be rejected.
4. **Disqualification.** A Offeror (including each of its' principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
5. **Offer Acceptance Period.** An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.
- 5.6 **Waiver and Rejection Rights.** Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 - 5.6.1 Waive any minor informality;
 - 5.6.2 Reject any and all Offers or portions thereof; or
 - 5.6.3 Cancel the Solicitation.

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F. Award

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
2. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
3. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests.

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- 1.1 The name, address and telephone number of the protester;
- 1.2 The signature of the protester or its representative;
- 1.3 Identification of the purchasing agency and the Solicitation or Contract number;
- 1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- 1.5 The form of relief requested.

H. Comments Welcome

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

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1 DEFINITIONS

All of the definitions included in the Uniform Instructions apply to these Special Instructions. In addition, the terms listed below are defined as follows:

1.2 “**May**” means something is permissive.

1.3 “**Must**” denotes the imperative.

1.4 “**Shall**” means something is mandatory.

1.5 “**Should**” denotes a preference.

2. PRE-OFFER CONFERENCE

Prospective Offerors are invited and encouraged to attend a pre-offer conference. The date, time and location of this conference are indicated on the solicitation cover sheet. The purpose of this conference will be to clarify the contents of this request for proposals in order to prevent any misunderstanding of the Department’s position. Any doubt as to the requirements of this request for proposals or any apparent omission or discrepancy should be presented to the Department at this conference or in accordance with the terms and conditions provided herein. The Department will then determine the appropriate action necessary, if any, and may issue a written amendment to the request for proposals. Oral statements or instructions shall not constitute an amendment to this request for proposals.

Those joining the Conference via teleconference, please be prompt and call at 9:00, and not before. The phone number is 602-542-9002. The speaker on the phone should be engaged prior to dialing. Please do not use the hold button during the call, as it will disconnect all parties. Once dialed in, please announce the company and name of the participant then place the call on mute. If a party needs to step away for any length of time, they may hang up and dial in again.

3 SUBMISSION OF INQUIRIES

In addition to the “Submission of Inquiries” section of the Uniform Instructions the following shall apply:

3.1 In order to assist ADHS in preparing for the Pre-Offer Conference, Offerors are encouraged to submit, in writing, any inquiries, clarifications or suggested changes to this Request for Proposal at least seven (7) days before the Pre-Offer Conference. Inquiries regarding the Solicitation will be received and considered beyond 7 days before the Pre-Offer Conference date, but the contents may not be considered in time to respond during the Pre-Offer Conference. Failure to submit, in writing, by the deadline may prevent the ADHS from thoroughly responding during the Pre-Offer Conference. This section does not limit or restrict an Offeror from asking questions or clarifying this Solicitation during the Pre-Offer Conference if written questions, clarifications or suggested changes are not submitted. In addition to a paper copy delivered to the “Offer Delivery Location” address listed on page one (1) of the solicitation, an electronic copy, in Microsoft Word format, should be submitted to the following email address: szawarr@azdhs.gov (ADHS will confirm receipt by email).

4 EXCEPTIONS TO TERMS AND CONDITIONS

In addition to the “Exceptions to the Terms and Conditions” section of the Uniform Instructions, the following shall apply:

4.1 An Offeror or vendor (the term “vendor” as used in this “EXCEPTIONS TO TERMS AND CONDITIONS” section is defined as an entity that has not submitted an Offer) may propose substitutions or exceptions to the Solicitation. Vendors may submit **contemplated** substitutions or exceptions before the Offer due date and vendors are encouraged to submit them, if any, not less than seven (7) days before the Offer due date. Contemplated substitutions or exceptions will permit the ADHS to consider them relative to the potential

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impact to the solicitation and determine if a solicitation amendment is necessary. ADHS may not issue a written determination of acceptance or solicitation amendment for a vendor's contemplated exception or substitution prior to the Offer due date; in that event, a potential Offeror must consider that the contemplated exception or substitution has not been accepted by the ADHS.

- 4.2 Exceptions and Substitutions submitted, under the "contemplated" conditions, prior to the Offer due date will only be considered prior to the Offer due date and they will not be considered after the Offer due date unless also submitted with the Offer. The ADHS is not obligated to respond to a request to consider substitutions or exceptions prior to the Offer due date and the ADHS is not obligated to negotiate exceptions or substitutions. **Offerors should carefully consider that substitutions or exceptions may result in rejection of the Offer.**
- 4.3 The vendor or Offeror should list each exception or substitution, if any, in a clearly identified separate section, by proposing specific word changes in an interlineated format, which has added text underlined and deleted text crossed out. If submitting a contemplated exception or substitution prior to the offer due date it should be submitted electronically, in Microsoft Word format to the following email address: eps100@cox.net (ADHS will confirm receipt by email). If submitting an exception or substitution with the Offer it should be submitted in accordance with the "Exceptions to Terms and Conditions" section of the Uniform Instructions to Offerors (section C.4).
- 4.4 If an Offeror submits an exception or substitution with its Offer and the Offeror is subsequently awarded a contract and acceptance of the exception or substitution is not acknowledged by the ADHS in the Acceptance of Offer and Contract Award notice; the Contractor will be bound to perform the Contract without the exception or substitution being in effect. No substitution or exception submitted with an Offer is binding upon the ADHS until the ADHS acknowledges acceptance of the exception or substitution in writing.
- 4.5 The Uniform Instructions to Offerors, "Exceptions to Terms and Conditions", section C.4, the sentence that reads: "Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement" is modified to delete the words "not included in such a section"; therefore, this sentence is amended to read: "Any exceptions shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement."

5. INFORMATION FOR OFFERORS

This RFP is for Food Instrument and Coupon Processing Services for the Bureau of USDA and Nutrition Programs Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and Farmers' Market Nutrition Programs (FMNP). Proposals must be for all required services. Information that may assist in preparing your response to this RFP includes:

- a. There were 624 authorized Arizona WIC Program Vendors (grocery stores, commissaries, and pharmacies) for the fiscal year (FY) 2007 (October 1, 2006 – September 30, 2007).
- b. There were 72 approved FMNP Growers for FY 2007.
- c. The estimated number of WIC food instruments per month is 350,000-500,000 for approximately \$10,000,000 per month.
- d. WIC FMNP processes an estimated 8,000 coupons per month from March to September, approximately \$24,000 per month.
- e. State Senior FMNP will have an estimated 35,000 coupons for approximately \$100,000 each fiscal year.
- f. There is no available estimate for the Federal Senior FMNP.
- g. All work must be performed in the United States of America and no subcontractor work can be done off shore.

6. RESERVED

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7. OFFEROR'S QUALIFICATIONS

The Offeror shall:

- a. Have the capacity to operate on all normal banking business days.
- b. Be able to provide services in the State of Arizona.
- c. Have electronic capacity to provide all services listed in the Scope of Work Task section of the contract.
- d. Have the ability to provide data files that can be read using Microsoft Word 2003.
- e. Have a minimum of 2 years of WIC banking experience.
- f. Have the ability to respond to changes or enhancements in the Scope of Work if required by changes to the federal regulations governing the WIC and FMN Programs.
- g. Have the capacity to meet all automation and food instrument processing requirements as listed in the RFP within their existing structure and capacity.

8 RESPONSIBILITY AND SUSCEPTIBILITY

- 8.1 ADHS will, but is not limited to, considering the following in determining Offeror's responsibility as well as the susceptibility of its proposal. An Offeror may not be considered responsible or susceptible if it does not satisfy the "Offerors's Qualifications" listed herein. Offerors may not be considered responsible or susceptible if they have been debarred from the practice of their profession that would otherwise be necessary in the provision of goods and services under any resulting contract. Offerors may not be considered responsible if they have had a contract within the last seven (7) years that was terminated for cause, due to breach or similar failure to comply with the terms of any such contract. Offerors may also not be considered responsible based upon their record of performance to include factual evidence of their failure, which may be frequent and reoccurring, to satisfy the terms of their agreements and contractual relationships, with any party. Factual evidence may consist of any documented vendor performance reports, customer complaints and/or negative references. Additional responsibility or susceptibility factors include the Offeror's financial, business, personnel, or other resources, including subcontractors; whether the Offeror is legally qualified to contract with the State; and whether the Offeror promptly supplied all requested information concerning its responsibility.
- 8.2 Additional responsibility or susceptibility criteria may include: The Offer was not sufficient to evaluate in accordance with the factors identified in the Solicitation or other necessary offer components. Necessary components include: an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, experience, price(s), signed Solicitation amendments, and/or references, and any other data specifically requested in the Solicitation.
- 8.3 Additional responsibility or susceptibility criteria may include: The Offer limits the rights of ADHS or the State; the Offer materially changes the RFP, which include the Scope of Work, terms and conditions, or the Offeror provides misleading or inaccurate information.

9. PROPOSAL OPENING

Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each Offeror shall be read publicly and recorded. Prices will NOT be read. Proposals will not be subject to public inspection until after contract award.

10. EVALUATION CRITERIA

In accordance with A.R.S. § 41-2534, competitive sealed proposals, awards shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the Department based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

- 10.1 Method of Approach- TASKS Methodology and Written Executive Summary
- 10.3 Experience and Expertise based on Personnel Qualifications Questionnaires and supporting documentation.

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10.4 Cost

10.5 Conformance to RFP Requirements, Instructions, and Terms and Conditions

11. DISCUSSION

In accordance with A.R.S. § 41-2534, after the initial receipt of proposals, the Department reserves the option to conduct discussions with those Offerors who submit proposals determined by the Department to be reasonably susceptible of being selected for award regarding the contract and the relative methods of approach for furnishing the required services.

12. FINAL PROPOSAL REVISION

In the event negotiations are conducted with Offerors, the ADHS will issue a written request for Final Proposal Revision. The request for Final Proposal Revision will inform Offerors, that if they do not submit a Final Proposal Revision, their immediate previous written proposed proposal revision will be considered as their final proposal revision.

13. INCLUSIVE OFFERORS

If the Offeror uses subcontractors, Offerors are encouraged to make every effort to utilize subcontractors that are small, women owned and/or minority owned business enterprises. Offerors who are committing a portion of their work to such subcontractors shall do so by identifying the type of services and work to be performed by providing detail concerning your organization's utilization of small, women-owned and/or minority business enterprises. Emphasis should be placed on specific areas that are subcontracted and percentage of contract utilization and how this effort will be administered and managed, including reporting requirements.

14. OFFER (PROPOSAL) AND FORMAT

The Offeror should submit **one (1) original and five (8) paper copies** of each proposal on the forms and in the following format. In addition, four (4) compact discs (CDs) of the Offer should be submitted in MS Word format. The Offers should be typed using a 12-point font and single-spaced. The original copy of the proposal should be clearly labeled "ORIGINAL". The five copies should be submitted stapled/clipped and marked as copy. The material should be in sequence and related to the RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The Offer should have a table of contents, and tabs for each section. The original, ink signed proposal should be provided in a, 3 ring binder labeled with Offeror's name and project title, with tabs for each of the following primary sections in same order as listed below:

- a. **Table of Contents:** The Offeror should provide page numbers for each section of the proposal.
- b. **Signed Offer and Acceptance Form:** The top half of the form should be completed and signed by an authorized person.
- c. **Signed Solicitation Amendments (if any have been issued by ADHS).**
- d. **Exceptions to terms and conditions**, if any.
- e. **Executive Summary: The Offeror should provide a summary of its Method of Approach** (not to exceed 2 pages)
- f. **Experience and Expertise – (includes Primary and Sub-Contractor Agency Staff):** Complete the Offeror's Personnel Qualifications Questionnaire, (Attachments # 3 and #4)
- g. In addition, the Offeror should provide the following:
 1. Background information including qualifications and experience of the Offeror and information related to the Offeror's ability to provide the services pursuant to this solicitation.
 2. Any knowledge or experience related to the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Banking.

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3. Most recent Statement on Auditing Standards (SAS) Audit, or provide the date that the next SAS Audit will be completed (must be within two (2) years of contract award).
 4. A list of ALL of the Offeror's existing WIC State agencies, current and for the past seven (7) years, for which the Offeror provided services solicited pursuant to this RFP or substantially equivalent. Include date and duration of contract, contact name, phone number, address, and a brief description (not more than 1/2 page) of the contract scope. The ADHS may contact any of the clients listed or known to have a previous business relationship with the Offeror for the purpose of obtaining references and, if necessary, the Offeror shall sign a release to permit ADHS to obtain information.
 5. A description of any performance deficiencies, notices to cure, failure to perform, termination for cause or default within the past seven (7) years. The information for this section is to be provided for the Offeror as currently constituted; any predecessor companies (including any companies the Offeror has acquired); any parent, subsidiary or other affiliated companies. The ADHS may contact any entity listed for the purpose of obtaining references relative to past performances and, if necessary, the Offeror shall sign a release to obtain information.
- h. **Method of Approach- TASKS Methodology:** Offeror should provide a written narrative of the method of approach to be utilized in performance of each of the TASKS in the Scope of Work (SOW), starting with section # 3. The Offeror's response should start by **REPEATING** (retyping) each major section reference number (e.g., 3.A.), from the Scope of Work. The Offeror's response to this should be for each SOW section, 3.A through 3.L. While, in some instances, it may not be possible to provide a response other than acknowledging the requirement of the Scope of Work, such acknowledgment should be indicated within the Method of Approach.
1. When providing the Method of Approach to the SOW by section number consider that the SOW section may have been addressed in a previous section or pursuant to these Special Instructions. If the SOW section has previously been addressed, so indicate, and provide the Offer section reference number. The Offeror should not repeat the same information in multiple sections of its Offer.
 2. The verbiage for the Method of Approach should be descriptive, factual, provide solutions to problems, and plans of proposed action. The usage of technical language should be minimized and used only to describe a technical process.
 3. When appropriate, the Method of Approach should include a chronology; provide a detailed schedule of tasks and subtasks to be accomplished and continuing until the task and/or subtasks are completed, and provide start and end dates or time periods for tasks and subtasks as appropriate for performance. (the response for this section should not exceed 30 pages).
- i. **Sub-contracting:** The Offeror should indicate if any sub-contractors will be used to perform the Scope of Work; list the sub-contractor's name and the type of the service to be provided and the amount of time or effort (should be specified by a "%") of the total Contract performance. The Offeror should include in its response information related to the "Inclusive Offeror" section of these Special Instructions. If sub-contractors will be used to perform any portion of the Contract Scope of Work, the Offeror should describe the quality assurance measures that the Contractor will use to monitor the sub-contractor's performance. ADHS reserves the right to request any additional information deemed necessary about any proposed subcontractors.
- j. **Cost:** Price Sheet (Attachment #2)– A completed Price Sheet should be provided with the Offer; no alterations will be accepted.
- k. Notices, correspondence, reports and payments from ADHS to the Contractor should be sent to:

Contact Name _____
Title _____
Company Name _____
Address _____
City, State Zip Code _____

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- 1** **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
- 1.1 *"Attachment"* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2 *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4 *"Contractor"* means any person who has a Contract with the State.
- 1.5 *"Days"* means calendar days unless otherwise specified.
- 1.6 *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 *"Gratuity"* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8 *"Materials"* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 *"Services"* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 *"State Fiscal Year"* means the period beginning with July 1 and ending June 30,

2 **Contract Interpretation**

- 2.1 Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1 Special Terms and Conditions;
- 2.3.2 Uniform Terms and Conditions;

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- 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits;
 - 2.3.7 Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.
- 3 Contract administration and operation.**
- 3.1 Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.

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- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

4 Costs and Payments

- 4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes.
- 4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
- 4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

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- 4.5.1 Accept a decrease in price offered by the, contractor
- 4.5.2 Cancel the Contract
- 4.5.3 Cancel the contract and re-solicit the requirements.

5 Contract changes

- 5.1 Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
 - 6.2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.
 - 6.2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

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6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

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- 7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
- 7.5 Year 2000.
- 7.5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
- 7.5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
- 7.6 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
- 7.7 Survival of Rights and Obligations after Contract Expiration or Termination.
- 7.7.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
- 8 State's Contractual Remedies**
- 8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
- 8.2 Stop Work Order.
- 8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to

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the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

- 8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
- 8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
- 8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.
- 8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9 Contract Termination

- 9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4 Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

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9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11 Arbitration.

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title

12 Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.

SPECIAL TERMS AND CONDITIONS

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1 DEFINITION OF TERMS

All of the definitions included in the Uniform Terms and Conditions apply to these Special Terms and Conditions. In addition, the terms listed below are defined as follows:

1.2 “**May**” means something is permissive.

1.3 “**Must**” denotes the imperative.

1.4 “**Shall**” means something is mandatory.

1.5 “**Should**” denotes a preference.

2. TERM OF CONTRACT

The term of the resultant Contract shall commence upon the date of award and shall remain in effect for three (3) years thereafter, unless terminated, canceled, or extended as otherwise provided herein.

3. CONTRACT EXTENSIONS

ADHS shall have the unilateral right to extend the contract period for two (2) additional one-year periods or portions thereof for a total contract term not to exceed five (5) years. The terms and conditions of any such contract extension shall remain the same as the original contract.

4. CONTRACT TYPE:

☒ **Fixed Price.**

5. AUTHORIZATION FOR PROVISION OF SERVICES:

Authorization for purchase of services under this contract shall be made only upon ADHS issuance of a Purchase Order that is signed by an authorized agent. The Purchase Order will indicate the contract number and the dollar amount of funds authorized. The Contractor shall only be authorized to perform services up to the amount on the Purchase Order. ADHS shall not have any legal obligation to pay for services in excess of the amount indicated on the Purchase Order. No further obligation for payment shall exist on behalf of ADHS unless **a)** the Purchase Order is changed or modified with an official ADHS Procurement Change Order, and/or **b)** an additional Purchase Order is issued for purchase of services under this contract.

6. LICENSES

The Contractor shall maintain in current status, all federal, state and local licenses and/or permits required for the operation of the business conducted by the contractor.

7. INFORMATION DISCLOSURE

The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from others in carrying out its functions under the contract shall be used or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the contract. Persons requesting such information should be referred to the state. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the contract, unless otherwise agreed to in writing by the state.

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8. KEY PERSONNEL

It is essential that the Contractor provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this Contract. The Contractor must assign specific individuals as the key personnel:

- a. The Contractor agrees that, once assigned to work under this Contract, key personnel shall not be removed or replaced without written notice to the state.
- b. If key personnel are not available for work under this Contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Contractor shall immediately notify the state, and shall, subject to the concurrence of the state, replace such personnel with personnel of substantially equal ability and qualifications.

9. INDEMNIFICATION CLAUSE

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

10. INSURANCE REQUIREMENTS

Contractor and subcontractors shall procure and maintain, until all of their obligations, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form

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Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- General Aggregate \$2,000,000
 - Products – Completed Operations Aggregate \$1,000,000
 - Personal and Advertising Injury \$1,000,000
 - Blanket Contractual Liability – Written and Oral \$1,000,000
 - Fire Legal Liability \$ 50,000
 - Each Occurrence \$1,000,000
- a. The policy shall be endorsed to include the following additional insured language: ***“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.***
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

3. **Fidelity Bond or Crime Insurance**

Bond or Policy Limit	\$1,000,000
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- a. The bond or policy shall be issued with minimum limits of \$100,000.
- b. The bond or policy shall include coverage for all directors, officers, agents and employees of the Contractor.
- c. The bond or policy shall **include coverage for third party fidelity.**
- d. The bond or policy shall **include coverage for theft and mysterious disappearance.**
- e. The bond or policy shall **contain no requirement for arrest and conviction.**
- f. The bond or policy shall cover loss outside the premises of the **Named Insured.**
- h. The bond or policy shall include coverage for electronic fund transfer and computer fraud.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the

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indemnification provisions of this Contract.

- C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to **(Arizona Department of Health Services, Procurement Office, 1740 West Adams Street, Phoenix AZ 85007, Attention: Procurement Administrator)** and shall be sent by certified mail, return receipt requested.
- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **(Arizona Department of Health Services, Procurement Office, 1740 West Adams Street, Phoenix AZ 85007, Attention: Procurement Administrator)**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

- F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- G. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

11 FINANCIAL MANAGEMENT

For all contracts, the practices, procedures, and standards specified in and required by the Accounting and Auditing Procedures Manual for Arizona Department of Health Services funded programs shall be used by the Contractor in the management of contract funds and by the Department when performing a contract audit. Funds collected by the Contractor in the form of fees, donations and/or charges for the delivery of these contract services shall be accounted for in a separate fund.

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State Funding. Contractors receiving state funds under this contract shall comply with the certified Compliance provisions of A.R.S. § 35-181.03.

Federal Funding. Contractors receiving federal funds under this contract shall comply with the certified finance and compliance audit provision of the Office of Management and Budget (OMB) Circular A-122 and/or A-133, if applicable. The federal financial assistance information shall be stated in a Change Order or Purchase Order.

12. PRICE INCREASE

The state may review a fully documented request for a price increase only after the contract has been in effect for three (3) years. A price increase adjustment shall only be considered at the time of a contract extension and shall be a factor in the extension review process. The Department of Health Services, Procurement office shall determine whether the requested price increase or an alternate option is in the best interest of the state. The price increase adjustment, if approved, will be effective upon the effective date of the contract extension. Price reductions will become effective upon acceptance by the State.

13. ACH PROCESSING

The parties to the Contract agree to comply with any and all applicable state and federal laws or regulations and all National Automated Clearing House Rules and further agree that neither party will initiate or transmit any entry that violates the laws of the United States, including, but not limited to, any law or economic and trade sanction administered or enforced by the Office of Foreign Asset Control (OFAC).

14. VOLUME OF WORK

The Arizona Department of Health Services does not guarantee a specific amount of work either for the life of the contract or on an annual basis.

15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the contract so that both the ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADHS Privacy Officer and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

If requested by the ADHS, Contractor agrees to sign the "Arizona Department of Health Services Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by the ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADHS HIPAA Compliance Officer.

16. OFFSHORE PERFORMANCE OF WORK PROHIBITED

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal

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client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

17. FEDERAL IMMIGRATION AND NATIONALITY ACT

By entering into the Contract, the Contractor warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Contractor shall obtain statements from its subcontractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Contract. I-9 forms are available for download at USCIS.GOV

The State may request verification of compliance for any Contractor or subcontractor performing work under the Contract. Should the State suspect or find that the Contractor or any of its subcontractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Contract for default, and suspension and/or debarment of the Contractor. All costs necessary to verify compliance are the responsibility of the Contractor.

18. PANDEMIC CONTRACTUAL PERFORMANCE

- a) The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The State may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:
 - 1. Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.
 - 2. Alternative methods to ensure there are products in the supply chain.
 - 3. An up to date list of company contacts and organizational chart.
- b) In the event of a pandemic, as declared the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:
 - 1. After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections, if the contractor cannot perform to the standards agreed upon in the initial terms.
 - 2. The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the Director as per A.R.S. 41-2537 of the Arizona Procurement Code.
 - 3. Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion, may reinstate the temporarily voided contract(s).

19. SAS 70 REPORT

Contractor shall provide a complete copy of the Auditing Standards, SAS 70 Report, to the State within 30 days of the report being issued. The Contractor shall provide the SAS 70 on an annual basis or more often if more than one report is generated per year.

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WIC Food Instrument and Coupon Processing Services

1. BACKGROUND

A. Overview:

The Arizona Department of Health Services (ADHS) Bureau of USDA Nutrition Programs (BNP) administers funds provided by the United States Department of Agriculture (USDA) for operation of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) and the Arizona Farmers' Market Nutrition Programs (AZ FMNP).

WIC is a cost-effective nutrition intervention program that provides supplemental foods, nutrition education, and referrals to other health and social services as an adjunct to good health care during critical times of growth and development in order to prevent occurrence of health problems and to improve the health status of eligible women, infants and children. Applicants are eligible based upon their category (pregnant, breastfeeding and postpartum women; infants; and children less than five years of age), residency, income and nutritional status.

Participants/authorized representatives receive negotiable food instruments (conditional drafts/checks) for specific kinds and amounts of nutritious foods. Participants/authorized representatives redeem these food instruments at authorized Vendors (i.e., grocery stores, commissary, and pharmacies) which meet certain criteria and who have signed a Vendor Contract to follow all WIC Program rules and regulations. The Vendor endorses and deposits the food instrument in its financial institution.

The Vendor's financial institution routes food instruments through the Federal Reserve System to the Arizona WIC Program's financial institution (Contractor). The Contractor shall receive and review food instruments according to standardized conditional criteria for payment. Food instruments, which meet all conditional criteria, are accepted for payment and the funds are credited to the Vendor's account through standard banking procedures.

The **AZ FMNP** provides fresh fruits and vegetables and nutrition education to women and children who participate in the Arizona WIC Program and seniors, 60 years and older who participate in the Arizona Commodity Supplement Food Program. Each participant receives AZ FMNP coupons (conditional drafts/checks). The coupons may be redeemed by the participant at approved Farmers' Markets to purchase locally grown fruits and vegetables from ADHS Contracted farmers (Growers). The coupons are then deposited in the Grower's financial institution and reimbursement is provided through the Federal Reserve System similar to a WIC food instrument as mentioned above.

B. Food Delivery System:

WIC: The Arizona WIC Program uses a retail food delivery system. Enrolled WIC participants receive food instruments (See Exhibit A: WIC Food Instrument and AZ FMNP Coupon). The food instrument is used to buy specific foods at ADHS Contracted Vendor outlets.

Vendors may be added during the year if needed, and may be dropped due to numerous reasons such as a change in ownership. The Vendor database is updated electronically and a Vendor File (format provided by ADHS is shown on Exhibit B: Vendor File Format) is provided to the Contractor nightly for processing. During the Contract period, the Arizona WIC Program may implement a special food instrument(s) due to changes proposed by USDA in the WIC food package.

AZ FMNP: Arizona operates two Farmers' Market Nutrition Programs, one for Senior and another for women and children. Participants in the programs receive coupons (See Exhibit A: WIC Food Instrument and AZ FMNP Coupon) that are used for the purchase of locally grown fresh fruits and vegetables. The approved Farmers' Markets consist of local Growers who have a Grower Agreement with ADHS to provide the approved produce. Growers may be added or dropped during the year as necessary. When this happens, the grower ID number, name, and address are provided to the Contractor for addition or deletion from the list that the Contractor has on file for authorized growers.

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C. Food Instruments and Coupons:

WIC: ADHS contracts with local health and tribal agencies, governmental and community based private and non-profit, (local agencies) to provide health services, nutrition education, and supplemental foods to WIC participants statewide. The food instrument is printed by the local agency through the ADHS Arizona In Motion (AIM) automation system and distributed to each participant. Each local agency is periodically assigned a series of unique numbers, up to 12 digits (the system currently utilizes only 10 digits for the food instrument number) by the AIM system maintenance vendor electronically. The AIM system will then select one of the available unique numbers in sequence and print it on each food instrument. The participant or "authorized representative" must sign a receipt for all food instruments received. The food instruments must be used by the participant within the "FIRST DATE TO USE" and "LAST DATE TO USE" printed on the face of the food instrument. Each food instrument type has pre-set conditional edit criteria.

The ADHS AIM system maintenance vendor will make available to the Contractor nightly, an issuance file (See Exhibit C: Issuance File Layout) which contains information on all of the food instruments issued to participants that day. The AIM system maintenance vendor will electronically place the file in the Contractor's Secure File Transfer Protocol (SFTP) site for their use (See Exhibit D: Contractor SFTP Site Format and Data Exchange).

AZ FMNP: Currently, there is no issuance file for Farmers' Market coupons. ADHS staff provides a range of assigned coupon numbers by local agency to the Contractor. Coupons are edited against the assigned range of coupon numbers. The participant or "authorized representative" must sign a receipt for all coupons received. Coupons must be used by the participant within the "FIRST DATE TO USE" and "LAST DATE TO USE" printed on the face of the coupon.

D. Redemption:

WIC: The food instrument is taken to an ADHS Contracted Vendor for redemption. At the point of purchase, the cashier enters the date of use and amount of purchase. The participant or their authorized representative then signs the food instrument validating the information entered. The Vendor accepts the food instrument for the amount of purchase, validates it with an authorized vendor stamp, and deposits it in their financial institution. The food instrument is then routed through the Federal Reserve System and presented to the Contractor for payment.

At presentation, the Contractor reviews the food instrument to ensure that it meets all established ADHS WIC redemption conditional edit criteria (See Exhibit E1 pages 1 and 2: WIC Redemption Criteria – Conditional Edits for example of current criteria). If the established redemption criteria are not met, the food instrument is processed as follow:

- 1) Food instruments with a missing date of use or Vendor stamp will be re-evaluated (endorsement edit). If the date of use or Vendor name, store number or address is present on the back of the food instrument, the information will be used to validate the redemption and pay the food instrument after all other edit criteria have been performed.
- 2) Food instruments that are over the maximum dollar amount printed on the face of the food instrument or have an unreasonable dollar amount will be paid the maximum amount allowed for the food instrument type and Vendor's peer group through an Automated Clearing House (ACH) process. This information will be provided to the Contractor via the Food Instrument Type File. The ACH process will occur through one of three different methods: debit, credit or demand. The ACH process utilized is determined by an appropriate code that will be provided to the Contractor via the Vendor File.
- 3) All other food instruments that do not meet ADHS WIC redemption conditional edit criteria will be rejected for payment and returned to the Vendor. The Vendor will be responsible to pay the return fee charged by their financial institution.

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AZ FMNP: The coupon is used at ADHS Contracted Farmers' Markets within the "First Date to Use" and "Last Date to Use" and redeemed by ADHS Contracted Growers for fresh fruits and vegetables. The participant or their authorized representative then signs the coupon validating the purchase. The Grower accepts the coupon for the amount of purchase, validates the coupon with an authorized grower stamp, and deposits it in their financial institution. The coupon is then routed through the Federal Reserve System and presented to the Contractor for payment. At presentation to the Contractor, the coupon is reviewed to ensure that it meets all established ADHS FMNP redemption conditional edit criteria (See Exhibit E2 pages 1 and 2: FMNP Redemption Criteria – Conditional Edits). If the established redemption criteria are not met, the coupon is processed as follows:

- 1) Coupons with a missing Grower stamp shall be re-evaluated (endorsement edit). If the Grower name, store number, or address is present on the back of the coupon, the information shall be used to validate the redemption and pay the coupon.
- 2) All other coupons that do not meet ADHS Farmers' Market redemption conditional edit criteria shall be rejected for payment and returned to the Grower. The Grower will be responsible to pay the return fee charged by their financial institution.

E. Reconciliation:

Title 7 Code of Federal Regulations (CFR) § 246.12 (q) and Farmers' Market Nutrition Program Title 7 CFR § 248.10 (h) requires a one to one reconciliation of all food instruments and coupons produced, distributed and redeemed. Refer to the following links for more information:

<http://www.fns.usda.gov/wic/lawsandregulations/WICRegulations-7CFR246.pdf>
<http://www.fns.usda.gov/wic/lawsandregulations/FMNPRegulations-7CFR248.pdf>

At the end of each banking business day, the Contractor shall provide ADHS with Paid Files (See Exhibit F1: PAID File Layout and Exhibit F2: Farmers' Market PAID File Layout) that will be used by the programs to complete its one to one reconciliation of all food instruments and coupons.

The Contractor shall also provide ADHS with daily bank statements and series of reports (See Exhibits G1 pages 1 through 3: WIC Food Instrument Processing Reports and Exhibit G2: Farmers' Market Coupon Processing Reports – WIC and Seniors) via a data file that can be read using Microsoft Word 2003 and should include an index with Hyper-Links to individual report sections.

2. OBJECTIVE

To provide processing and banking services to the ADHS for the redemption of food instruments and coupons issued to program participants and redeemed at ADHS Contracted Vendor and Grower locations. ADHS requires a total solution and will not pay or compensate the Contractor for performance except as specified on the "Price Sheet (Attachment #2)."

3. SCOPE OF SERVICES

TASKS

A. Accounts:

The Contractor shall provide the ADHS with a high-volume transaction processing service for both the Arizona WIC and Farmers' Market Nutrition Programs (FMNP).

- 1) The Contractor shall provide monthly activity accounts, which will include but are not limited to:
 - **WIC**
 - **WIC FMNP**
 - **Seniors Federal FMNP**
 - **Seniors State FMNP**

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- 2) The period for all accounts must be maintained on a calendar month basis from the first through the last day of each month.
- 3) The Contractor must provide ADHS with the same security, access and insurance provisions that apply to any commercial account.

B. Wire Transfers:

The Contractor shall accept incoming wire transfers (deposits) from the Arizona State Treasurer's Office and apply to the respective accounts. The Contractor shall assist ADHS in maintaining a positive daily balance:

- 1) Wire transfers received by 3:00 P.M. Mountain Standard Time (MST) shall receive same day credit.
- 2) ADHS will have on-line access of the account status as of posting the night before. The Contractor shall provide approved ADHS staff with user identifications and log on capabilities which will provide electronic access to information, which will include but not be limited to, account balances, disbursements and reports daily.
- 3) If the account balance is falling below the preset minimum daily level, ADHS shall be notified via telephone of the Contractor's concerns.
- 4) Overdraft protection is required up to \$3.5 million.

C. Receive and Process Food Instruments and Coupons on the Accounts:

- 1) The Contractor shall receive WIC food instruments or FMNP coupons drawn on the above-mentioned accounts from the Federal Reserve and other banks.
- 2) Before payment, the Contractor shall review all food instruments or coupons according to the following criteria, which will include but not be limited to:

WIC:

- a) Valid food instrument number – the serial number on the food instrument(s) are valid. The numbers match an issuance number or range provided.
- b) Valid date of redemption – the food instrument is paid by the Contractor within 67 days of the FIRST DATE TO USE printed on the face of the food instrument.
- c) Redemption amount by food instrument type – the amount of the food instrument does not exceed an established dollar amount by food instrument type (See Exhibit H: Food Instrument Type File Layout). Note: Default maximum redemption (currently \$200.00) will be defined by ADHS for any food instrument type that does not have an established dollar amount by food instrument type at the time of presentment to the Contractor for payment (i.e., new food package established).
- d) Valid Vendor number – the Vendor number stamped on the food instrument is legible and valid when compared to the **ADHS WIC Program Authorized Vendor list** of identification numbers; or the store name, store number, or address have been compared to the Authorized Vendor list and deemed valid.
- e) Valid date of use – the food instrument cannot be used before its FIRST DATE TO USE and not after the LAST DATE TO USE. The DATE OF USE is written in the appropriate box by the cashier on the food instrument and must not be before the FIRST DATE TO USE and not after the LAST DATE TO USE.
- f) Alteration – the food instrument has not been altered. An example of an alteration is white-out was used on the amount of formula listed on the face of the food instrument and a new amount inked in by a ballpoint pen.
- g) Signature – verify to ensure that a signature is present, includes initials, in the signature box (lower right hand side) on the face of the food instrument.

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AZ FMNP (WIC and Seniors):

- a) Valid coupon number – the serial number on the coupon(s) are valid. The numbers match an issuance number and range provided.
- b) Valid Grower number – the Grower number stamped on the coupon is legible and valid when compared to the current and updated **ADHS FMNP Authorized Grower list** of numbers; or the name, grower number, or address have been compared to the authorized Grower list and deemed valid.
- c) Valid date of use – the coupon was used prior to the expiration date. Note: Cannot be used prior to the FIRST DATE TO USE and not after the LAST DATE TO USE.
- d) Signature – verify to ensure that a signature is present, includes initials, on the lower right hand side of the face of the coupon.
- e) Valid date of redemption – The coupon was deposited for redemption by the grower no more than 30 days after the LAST DATE TO USE. Note: No FMNP coupons can be paid after October 30 each calendar year.

Criteria for accepting food instruments or coupons may change periodically and the Contractor shall have the ability to implement the changes requested by ADHS within five business days of notification.

D. Rejected Food Instruments or Coupons:

Missing Stamp (Vendor/Grower) or Date of Use:

Food instruments or coupons missing the stamp (Vendor/Grower) and/or the date of use shall be edited twice and if the following conditions are met paid.

- 1) The Contractor shall perform a second level review of food instruments and coupons as follows:
 - a) The food instrument/coupon shall be reviewed to determine if the Vendor's/Grower's name, store number and/or address or the date of use are imprinted on the back of the food instrument/coupon.
 - b) Information shall be entered in the system and all other conditional edit criteria shall be performed.
 - c) The Contractor shall accept and process a second presentment of these items (returned initially) as long as the item is submitted within 67 days of the FIRST DATE TO USE printed on the face of the food instrument or coupon.

WIC Food Instruments:

Food instruments that are over the maximum dollar amount printed on the food instrument or have an unreasonable dollar amount, in accordance with Exhibit H, shall be paid the maximum amount allowed for the food instrument type and Vendor's peer group (See Exhibit H: Food Instrument Type File Layout).

This shall be accomplished in one of the following three ways according to an appropriate code in the Vendor File (See Exhibit B: Vendor File Format).

- 1) The Contractor shall electronically debit the Vendor's bank account for the dollar amount difference that is over the maximum amount allowed (see above). Debits may occur as frequently as daily or as long as three days after the food instrument is initially reviewed and determined to be over the maximum; or
- 2) The Contractor shall initially reject the food instrument for payment due to the requested amount being over the maximum amount allowed (see above). Payment shall be electronically credited to the Vendor's account, no more than one week after the rejection via an ACH transfer for the maximum dollar amount allowed for the food instrument type and the Vendor's peer group; or
- 3) The Contractor shall contact ADHS immediately (prior to making a payment decision) if a food instrument presents and the default maximum is being used to edit the maximum value (currently \$200.00). The Contractor shall provide all food instrument information to ADHS and these items shall

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go through a separate state initiated process to identify an appropriate payment before the item is rejected for payment. Upon the Contractor's receipt of the payment information, an electronic debit from or credit to the Vendor's account shall occur.

Following all debits or payments, a notice of transfer shall be made available to ADHS through the Contractor's reporting system.

Rejected for Payment:

All food instruments or coupons that are rejected for payment shall be stamped by the Contractor with the reason for its rejection on the face of the food instrument/coupon (stamp message to be defined by ADHS).

The Contractor shall then enter the WIC/AZ FMNP edit code into the daily Paid File. The Contractor shall then return the rejected food instruments/coupons to the originating bank for proper credit.

E. Holds/Stop Payments:

Upon notification to the Contractor by ADHS, the Contractor shall hold for approval or stop payment, an individual or range of food instrument numbers.

- 1) If a hold is placed on a food instrument, ADHS shall be notified when it is presented for payment.
- 2) The Contractor shall send the item to ADHS for review and a decision will be made regarding the disposition of the food instrument.
- 3) It will either be paid or returned depending upon the initial problem.

F. Secure File Transfer Protocol (SFTP) Site:

The Contractor shall manage the placement, pick up, and processing of all files. The Communication Mechanism shall be via a Secure File Transfer Protocol (SFTP) site (See Exhibit D: Contractor SFTP Site Format and Data Exchange). The ADHS AIM system maintenance vendor shall make available to the Contractor nightly; Monday through Friday, the Vendor and Issuance files (See Exhibit B: Vendor File Format and Exhibit C: Issuance File Layout).

The ADHS AIM system maintenance vendor will make available to the Contractor monthly; on the last banking business day of the month, the Food Instrument Type File (See Exhibit H: Food Instrument Type File Format).

The Contractor shall test the file for integrity before it is processed. Files shall not be processed if missing a trailer record or total count; or the totals from trailer record is off when compared to the actual count or totals from the details records. If an item has already been issued, paid, or voided, or the food instrument type code is invalid (not on the type file), or there is invalid Vendor information the error condition shall be reported daily to ADHS.

The Contractor shall accept the Food Instrument Type File generated and submitted by the ADHS AIM system maintenance vendor on the last business day of the month, and generate a report that shall be placed on the SFTP site for access by ADHS on the next banking business day following its receipt.

The Contractor shall hold implementation of the Food Instrument Type File for five banking business days following its receipt. The File shall be uploaded into the Contractor's system on the night of the fifth banking business day, so that the Contractor shall utilize the new information on the sixth banking business day to edit food instruments.

During the hold period (first five banking business days of the month), the Contractor shall retain the prior values for the payment of all food instruments for all Vendor peer groups until implementation of the new values received in the Food Instrument Type File (sixth banking business day).

SCOPE OF WORK

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Once the Food Instrument Type File is implemented on the sixth banking business day, the Contractor shall not process any updates to the file at anytime during the month until the receipt of the following months' Food Instrument Type File on the last banking business day of current month.

Nightly, following the end of day processing, the Contractor shall electronically post at the SFTP site, an ASCII data file for each account that contains, but not be limited to the following information:

- 1) Food Instruments Paid File Information (See Exhibit F1: WIC Food Instruments PAID File Layout)
- 2) Coupons Paid File Information (See Exhibit F2: Farmers' Market PAID File Layout for example of current file)

Note: For food instruments cashed prior to the arrival of the issuance file, the Contractor shall capture and report the following information in addition to all of the information listed in the file format above:

- 1) Participant ID number
- 2) Agency two digit code
- 3) Clinic site two digit code

G. Reconciliation:

The Contractor shall reconcile its redemptions and rejections of Food Instruments and Coupons to the Federal Reserve presentations.

H. Reports:

The Contractor shall provide ADHS with daily account activity reports (See Exhibit G1 pages 1 through 3: WIC Food Instrument Processing Reports and Exhibit G2: Farmers' Market Coupon Processing Reports - WIC and Seniors) via a data file placed on the FTP site that can be read using Microsoft Word 2003 and should include an index with Hyper-Links to individual report sections.

The Contractor shall also provide ADHS with a detailed statement of the monthly activity accounts electronically and hard copy with its accounting statement following the end of the reporting month. Reports shall be provided even if no match condition is found and the reported amount or total is zero.

The Monthly Activity Account Statements shall include, but not be limited to the reports and their descriptions listed in Exhibit G1 pages 1 through 3: WIC Food Instrument Processing Reports and Exhibit G2: Farmers' Market Coupon Processing Reports - WIC and Seniors.

I. Record Retention:

The Contractor shall assume responsibility for the retention of the ADHS food instrument/coupon records. All food instrument/coupon records shall be retained in accordance with WIC Program requirements at 7 CFR § 246.25 (a) and Farmers' Market Nutrition Program requirements at 7 CFR § 248.23 (a).

- 1) In lieu of the return of the original food instruments/coupons to ADHS, the Contractor shall image "index" (front and back of each food instrument/coupon) in numerical order (lowest to highest).
- 2) Images shall be retained on file and provided to ADHS by Internet access or upon request on CD-ROM.
- 3) Original food instruments/coupons deemed Compliance Buys shall be returned to ADHS for program use within *10 days of presentment to the Contractor*.

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- 4) Food instruments/coupons shall be disposed of in accordance with Federal WIC Regulations at 7 CFR § 246.26 (d), which provides that confidential information regarding WIC participants may not be disclosed. Confidential participant information is any information that individually identifies a participant and /or family member. As WIC food instruments contain the name of a participant or family member they shall be disposed of to ensure confidentiality. Refer to the following links for more information:

<http://www.fns.usda.gov/wic/lawsandregulations/WICRegulations-7CFR246.pdf>
<http://www.fns.usda.gov/wic/lawsandregulations/FMNPRegulations-7CFR248.pdf>

- 5) Upon termination of the contract, the contractor shall retain and make available to the Arizona WIC Program all electronic images of its prior food instrument processing history for a period of 5 years from the date of termination of the contract.

J. Enhancements:

The Contractor shall have the ability to program enhancements to their system to meet new requirements for processing or reporting.

K. WIC EBT:

If and when ADHS institutes a pilot and/or subsequent services for WIC EBT during the term of this contract, services shall be provided as agreed upon between ADHS and the Contractor.

L. Invoices:

The Contractor shall submit monthly billing invoices within 30 days of services provided to ADHS. All invoices shall be broken down by individual account (WIC, WIC FMNP, Seniors Federal FMNP, and Seniors State FMNP).

4. REFERENCES

- A. Title 7 Code of Federal Regulations, Part 246 - Special Supplemental Nutrition Program for Women, Infants and Children.
- B. Title 7 Code of Federal Regulations, Part 248 - WIC Farmers' Market Nutrition Program (FMNP).

5. DELIVERABLES

- A. Daily Account Activity Reports due within 48 hours of close of banking business day following the day work was processed.
- B. Monthly Activity Account Statement due no later than two banking business days following month end.
- C. Detailed Invoice for services provided during the prior month due no later than 30 calendar days from the end of the reporting period.
- D. Original food instruments deemed as compliance buys, high risk monitoring or other requested actions due no later than seven calendar days after redemption.

<p style="text-align: center;">SCOPE OF WORK SOLICITATION NO.: HP861222</p>

6. NOTICES, CORRESPONDENCE, REPORTS, INVOICES

A. Notices, correspondence, reports and invoices from the Contractor to ADHS should be sent to:

Original copy: USDA Nutrition Programs – Bureau Chief
Arizona Department of Health Services
Bureau of USDA Nutrition Programs
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007

CC copy: WIC Accountant
Arizona Department of Health Services
Bureau of USDA Nutrition Programs
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007



ATTACHMENT #1 OFFER AND ACCEPTANCE

Solicitation NO.: HP861222

**ARIZONA DEPARTMENT OF
HEALTH SERVICES**

1740 W. Adams, Room 303
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 Fax

Submit this form with an original signature to the:

**Arizona Department of Health Services
Office of Procurement
1740 West Adams, Room 303
Phoenix, Arizona 85007**

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.

Arizona Transaction (Sales) Privilege Tax License No:

For Clarification of this Offer, Contact:

Name: _____

Telephone: _____

FAX: _____

Federal Employer Identification No:

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City, State, ZIP Code

Title

OFFER ACCEPTANCE AND CONTRACT AWARD (For State of Arizona Use Only)

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number:

HP861222 -

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.

State of Arizona

Awarded this _____ day of _____, 2008

CHIEF PROCUREMENT OFFICER

ATTACHMENT #2
Solicitation No.: HP861222

PRICE SHEET		
		Price Per Unit
SERVICE	UNIT OF MEASURE	
Account Charge	Monthly Fee per account	
Per Item Processing	Per Food Instrument(FI) or Coupon	
Image Processing:		
Per Item	Per FI	
Custom CD Rom	Per CD	
Internet Access	Monthly Fee	
Stop Payment:		
Single Item	Per FI	
Check Range	Per Request	
Returned Item Fee	Per FI	
Endorsement Edit/Data Capture	Per FI	
Copy Fee	Per FI	
Vendor ACH Debit	Per FI	
Vendor ACH Credit	Per FI	
State Initiated Payment	Per FI	
Overdraft Protection Cost	\$ Amount Used/Day	
Additional Fee:		
Programming	Hourly Rate	
Original FI Return	Per FI/Item	
Wire Transfers	Per Wire	
EBT, If needed	Per Family Case, Per Month	

ATTACHMENT 3
SOLICITATION NO.: HP861222

PRIMARY AGENCY STAFF

OFFEROR'S PERSONNEL QUALIFICATIONS QUESTIONNAIRE

Instructions: Complete a separate questionnaire for each person who may have any direct involvement with clients served under this contract in an **administrative/management or key personnel** position. The questionnaire should provide the amount of time, in hours per week, the position requires; and a description of responsibilities each position entails. If attachments are used, indicate the item number and heading being referenced as it appears below. Attach to each questionnaire the person's resume, current job description, **or job description for the** position(s) for which the person is proposed:

1. Name of person: _____
2. Proposed position for contract service: _____
3. Position held in company: _____
4. Number of years with company: _____
5. Number of years experience in requested service: _____
6. Describe any related job training: _____

7. Identify the primary function(s) of this person in terms of providing services under this Contract: _____

8. % of time potentially assigned to any given project: _____

ATTACHMENT 4
SOLICITATION NO.: HP861222

SUB-CONTRACTOR STAFF

OFFEROR'S PERSONNEL QUALIFICATIONS QUESTIONNAIRE

Instructions: Complete a separate questionnaire for each person who may have any direct involvement with clients served under this contract in an **administrative/management or key personnel** position. The questionnaire should provide the amount of time, in hours per week, the position requires; and a description of responsibilities each position entails. If attachments are used, indicate the item number and heading being referenced as it appears below. Attach to each questionnaire the person's resume, current job description, **or job description for the** position(s) for which the person is proposed:

1. Name of person: _____
2. Proposed position for contract service: _____
3. Position held in company: _____
4. Number of years with company: _____
5. Number of years experience in requested service: _____
6. Describe any related job training: _____

7. Identify the primary function(s) of this person in terms of providing services under this Contract: _____

8. % of time potentially assigned to any given project: _____

EXHIBIT A

SOLICITATION NO. HP861222

WIC Food Instrument and AZ FMNP Coupon

SAMPLES- SUBJECT TO CHANGE

ARIZONA DEPARTMENT OF HEALTH SERVICES WIC PROGRAM 1740 WEST ADAMS, PHOENIX, ARIZONA 85007 NEED HELP? Mon. - Fri. 8 AM - 5 PM, Call 1-800-2525-WIC				MISUSE OF DRAFTS SUBJECT TO STATE OR FEDERAL PROSECUTION. VOID IF ALTERED		DRAFT #	
AGENCY	CLINIC	PARTICIPANT ID	PARTICIPANT NAME	DRAFT TYPE			
						AZ WIC USE ONLY	
						FIRST DATE TO USE	
						DATE OF USE	
						ACTUAL \$ AMOUNT	
						\$ CORRECTION ONLY	CASHIER INITIAL
\$ TAX EXEMPT SALE NOT TO EXCEED \$200.00						LAST DATE TO USE	
PAY TO THE ORDER OF:						PARTICIPANT: DO NOT SIGN UNTIL TIME OF PURCHASE SIGNATURE AT STORE	
CASHIER: DO NOT ACCEPT IF ALREADY SIGNED, MUST MATCH SIGNATURE ON ID FOLDER.							

		Payable Through Security State Bank Howard Lake, MN 55349			FIRST DATE OF USE March 1, 2007
Arizona Department of Health Services WIC Farmers' Market Nutrition Program 150 N. 18th Avenue, Suite 310 Phoenix, AZ 85007-3242 1-866-229-6561				Account # 802089 75-1248 919	LAST DATE OF USE September 30, 2007
NOT REDEEMABLE IN GROCERY STORES Payable to: <u>Arizona Registered FMNP Vendor #</u>				PAY EXACTLY \$3.00	
<u>Valid for purchase of LOCALLY GROWN</u> <u>fresh fruits and vegetables only</u>				NO CHANGE GIVEN	
VOID AFTER OCTOBER 30, 2007				INVALID WITHOUT SIGNATURE	

Note: WIC FMNP and Senior FMNP Coupons will look similar- color of coupon and dates of use may be different.

EXHIBIT B
SOLICITATION NO. HP861222

Vendor File Format

Record lay out for VENDOR File
Detail Record, VENDOR FILE:

Position	Length	Type	Description
01 – 05	05	N	Vendor Number Format 9(05).
06 – 40	35	C	Vendor Name
41 – 75	35	C	Vendor Address 1
76 – 110	35	C	Vendor Address 2
111 – 145	35	C	Vendor City
146 – 147	02	C	Vendor State
148 – 156	09	C	Vendor Zip Code
157 – 160	04	C	Vendor Corp Code
161 – 162	02	N	Vendor Peer Group Format 99.
163 – 170	08	N	Vendor Terminated Date Format MMDDYYYY
171 – 200	30	C	Vendor Bank Name
201 – 209	09	C	Vendor Bank ABA
210 – 226	17	C	Vendor Bank Account

TRAILER Record, VENDOR FILE:

Position	Length	Type	Description
01 – 05	5	C	Literal Value always "TOTAL"
06 – 11	6	N	Total record count FORMAT 9(06).

<p align="center">EXHIBIT C</p> <p align="center">SOLICITATION NO. HP861222</p>

Issuance File Layout

Record lay out for ISSUED File

Position	Length	Type	Description
01 – 10	10	N	Food Instrument (FI) / Serial Number
11 – 16	6	C	FI Type Number
17 – 18	2	C	FI Type Code
19 – 20	2	C	Filler (currently with “**”)
21 – 22	2	C	Organization ID for issuing agency
23 – 24	2	C	Filler (blank space)
25 – 34	10	N	10 zeroes Filler for Client ID
35 – 42	8	N	Date Issued Format MMDDYYYY
43 – 43	1	C	Disposition Code
44 – 45	2	C	Void Code
46 – 53	8	N	First Use Date Format MMDDYYYY
54 – 61	8	N	Last Use Date Format MMDDYYYY
62 – 67	6	N	Rev. Maximum Amount. Format 9(4)V99
68 – 73	6	N	6 zeroes Rev. Required Amount. Format 9(4)V99
74 – 78	5	N	5 zeroes Rev. Vendor Number

TRAILER Record, ISSUED FILE:

Position	Length	Type	Description
01 – 05	5	C	Literal Value always “TOTAL”
06 – 11	6	N	Total record count FORMAT 9(06).

<div style="text-align: center;">EXHIBIT D SOLICITATION NO. HP861222</div>
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Contractor SFTP Site Format and Data Exchange

General Format Rules

Name of issued file will be ISANmmdd.DAT.

Where:

IS= Static Characters for Issued file

AN=Static characters: AN (Assigned state Abbreviation)

mm=Processing date, month value: Will be 01 through 12

dd=Processing date, day value: Will be 01 through 31

.DAT = Static Characters .DAT

The file shall be in the ASCII format. All fields in the record shall be display (not packed). Numeric fields shall be right justified zero filled.

Type:

N = Numeric, right justified zero filled

\$ = Amount, right justified zero filled last two positions assumed decimal

A = Alpha numeric, left justified space filled.

Securing the Data Exchange

The Contractor shall choose from one of the following two options for securing the data exchange:

Option 1:

FTP over Secure Shell (SSH) refers to the practice of tunneling a normal FTP session over a Secure Shell (SSH) connection. SSH is a network protocol that allows data to be exchanged over a secure channel between two computers. Encryption provides confidentiality and integrity of data. SSH uses public-key cryptography to authenticate the remote computer and allow the remote computer to authenticate the user, if necessary.

Option 2:

File Transfer Protocol Secure (FTPS) commonly referred to as FTP/SSL is a name used to encompass a number of ways in which FTP software can perform secure file transfers. Each way involves the use of a SSL/TLS layer below the standard FTP protocol to encrypt the control and/or data channels.

Transport Layer Security (TLS) and its predecessor, Secure Sockets Layer (SSL), are cryptographic protocols that provide secure communications on the Internet for such things as data transfers.

<div>EXHIBIT E1</div> <div>SOLICITATION NO. HP861222</div>
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WIC Redemption Criteria - Conditional Edits

Code

- N** **■MISSING VENDOR NUMBER**
**EDIT ENDORSEMENT DONE
- U** **■UNREADABLE VENDOR NUMBER – VOID DO NOT REDEPOSIT**
**EDIT ENDORSEMENT DONE
- E** **■UNAUTHORIZED VENDOR NUMBER**
THE SYSTEM WILL EDIT FOR INVALID VENDOR NUMBERS
- F** **■DEPOSITED LATE – VOID DO NOT REDEPOSIT**
THIS IS AN AUTOMATED EDIT
- B** **■EARLY CASHING - VOID DO NOT REDEPOSIT**
THIS IS AN AUTOMATED EDIT
- D** **■MISSING SIGNATURE - VOID DO NOT REDEPOSIT**
IF THE SIGNATURE IS MISSING, “X” IS ACCEPTABLE WITH THE FOLLOWING: THE PERSON (PARTICIPANT’S, AUTHORIZED REPRESENTATIVE OR PROXY) WILL PLACE AN X ON THE SIGNATURE LINE. THE CASHIER THAT OBSERVED THIS WILL WRITE “FOR” SIGNERS NAME “BY” AND SIGN THEIR OWN NAME. SEE EXAMPLE BELOW.

“X FOR MARY SMITH BY JANE DOE” (ACTUAL SIGNATURE REQUIRED)

ONE LINE DRAWN THROUGH THE SIGNATURE IS ACCEPTABLE AS LONG AS THERE IS AN ADDITIONAL SAME SIGNATURE ON THE FOOD INSTRUMENT. JUST INITIALS INSTEAD OF A FULL SIGNATURE **IS** ACCEPTABLE.

~~JANE DOE~~ JANE DOE IS SOMEWHERE ELSE ON THE CHECK – ACCEPTABLE.

~~JANE DOE~~ JD IS SOMEWHERE ELSE ON THE CHECK – ACCEPTABLE.
- A** **■ALTERED DATE OR WHITEOUT - VOID DO NOT REDEPOSIT**
PREPRINTED DATES CANNOT BE CHANGED IN ANY WAY, INCLUDING TRACEOVERS. NO WHITE OUT IS ALLOWED ANYWHERE ON THE FOOD INSTRUMENT (IF IN THE FOOD MESSAGE, CODE AS 77)
- I** **■DOLLAR AMOUNT TOO HIGH - VOID DO NOT REDEPOSIT**
THIS IS AN AUTOMATED EDIT

EXHIBIT E1
SOLICITATION NO. HP861222

WIC Redemption Criteria - Conditional Edits (Continued)

Code

- M ■SECOND PRESENTMENT - VOID DO NOT REDEPOSIT**
FOOD INSTRUMENTS THAT HAVE BEEN RETURNED AND STAMPED WITH A "VOID DO NOT REDEPOSIT" STAMP.
- CONSIDERED A SECOND PRESENTMENT:
- | | |
|-----------------------|--------------------|
| EARLY CASHING | UNREADABLE VENDOR |
| MISSING SIGNATURE | ALTERED |
| DEPOSITED LATE | \$ AMOUNT TOO HIGH |
| INVALID VENDOR NUMBER | |
- ALLOWED TO COME BACK A SECOND TIME:
MISSING VENDOR NUMBER – IF THE VENDOR NUMBER IS STILL MISSING ON THE THIRD TIME IN THE SYSTEM, RETURN AS A SECOND PRESENTMENT
- H ■OVER ACCOUNT MAX**
THIS IS AN AUTOMATED EDIT
- C ■DATE OF USE INVALID - VOID DO NOT REDEPOSIT**
DATE WILL BE HANDWRITTEN OR STAMPED AND NEEDS TO FALL WITHIN THE FIRST DATE OF USE AND THE LAST DATE OF USE TO BE A VALID DATE AND IN ORDER FOR THE ITEM TO BE PAID. WATCH FOR INTERNATIONAL DATE – YEAR, MONTH, DAY 05-04-26, IT IS OKAY TO PAY)
- IF DATE IS INVALID, CHECK THE RINGER TO DETERMINE IF WE SHOULD PAY THE ITEM – THE RINGER INFORMATION MUST VALIDATE THAT THE CHECK WAS PRESENTED BETWEEN THE FIRST DATE AND LAST DATE TO USE TIMEFRAME.
- ** EXAMPLE 1: ITEM FACE SHOWS 1/2/07, RINGER SHOWS 2/2/07, IF 2/2/07 FALLS BETWEEN FIRST AND LAST USE DATE ITEM IS VALID.
- ** EXAMPLE 2: ITEM FACE SHOWS 2/2/06, RINGER SHOWS 2/2/07, IF 2/2/07 FALLS BETWEEN FIRST AND LAST USE DATE ITEM IS VALID.
- **EDIT ENDORSEMENT DONE
- J ■DATE OF USE MISSING - VOID DO NOT REDEPOSIT**
THE RECORDED DATE OF PURCHASE IS MISSING
- IF THE DATE IS CHANGED OR ANY PART OF IT IS MISSING, CHECK THE RINGER TO DETERMINE IF WE SHOULD PAY THE ITEM.
- IF THERE IS NO DATE OR RINGER THEN COMPARE TODAY'S DATE TO THE VALID MONTH. IF TODAY'S DATE IS ON OR AFTER THE FIRST USE DATE PLUS TWO DAYS, AND ON OR BEFORE THE LAST USE DATE PLUS TWO DAYS, THEN PAY AND DO NOT RETURN.
- **EDIT ENDORSEMENT DONE

<p style="text-align: center;">EXHIBIT E1 SOLICITATION NO. HP861222</p>

WIC Redemption Criteria - Conditional Edits (Continued)

Code

S

■ ALTERED FOOD PACKAGE - VOID DO NOT REDEPOSIT

FOOD ITEMS (UNITS, PACKAGING AND TYPES) CANNOT BE CHANGED IN ANY WAY. NO TRACEOVERS OR WHITE OUT IS ALLOWED OF THE UNITS, PACKAGING (E.G., QUART), FOOD TYPE (E.G., WHOLE MILK), OR MESSAGES ON THE FOOD INSTRUMENT

■ RETURN MESSAGE STAMPED ON FOOD INSTRUMENTS

<div>EXHIBIT E2</div> <div>SOLICITATION NO. HP861222</div>
--

FMNP Redemption Criteria - Conditional Edits

Code

- N** **■MISSING VENDOR NUMBER**
**EDIT ENDORSEMENT DONE
- U** **■UNREADABLE VENDOR NUMBER – VOID DO NOT REDEPOSIT**
**EDIT ENDORSEMENT DONE
- E** **■UNAUTHORIZED VENDOR NUMBER**
THE SYSTEM WILL EDIT FOR INVALID VENDOR NUMBERS
- F** **■DEPOSITED LATE – VOID DO NOT REDEPOSIT**
THIS IS AN AUTOMATED EDIT
- B** **■EARLY CASHING - VOID DO NOT REDEPOSIT**
THIS IS AN AUTOMATED EDIT
- D** **■MISSING SIGNATURE - VOID DO NOT REDEPOSIT**
IF THE SIGNATURE IS MISSING, “X” IS ACCEPTABLE WITH THE FOLLOWING: THE PERSON (PARTICIPANT’S, AUTHORIZED REPRESENTATIVE OR PROXY) WILL PLACE AN X ON THE SIGNATURE LINE. THE CASHIER THAT OBSERVED THIS WILL WRITE “FOR” SIGNERS NAME “BY” AND SIGN THEIR OWN NAME. SEE EXAMPLE BELOW.
- “X FOR MARY SMITH BY JANE DOE” (ACTUAL SIGNATURE REQUIRED)
- ONE LINE DRAWN THROUGH THE SIGNATURE IS ACCEPTABLE AS LONG AS THERE IS AN ADDITIONAL SAME SIGNATURE ON THE FOOD INSTRUMENT. JUST INITIALS INSTEAD OF A FULL SIGNATURE **IS** ACCEPTABLE.
- ~~JANE DOE~~ JANE DOE IS SOMEWHERE ELSE ON THE CHECK – ACCEPTABLE.
- ~~JANE DOE~~ JD IS SOMEWHERE ELSE ON THE CHECK – ACCEPTABLE.
- A** **■ALTERED DATE OR WHITEOUT- VOID DO NOT REDEPOSIT**
PREPRINTED DATES AND DOLLAR AMOUNT CANNOT BE CHANGED IN ANY WAY, INCLUDING TRACEOVERS.
NO WHITE OUT IS ALLOWED ANYWHERE ON THE FOOD INSTRUMENT (IF IN THE FOOD MESSAGE, CODE AS 77)
- I** **■DOLLAR AMOUNT TOO HIGH - VOID DO NOT REDEPOSIT**
THIS IS AN AUTOMATED EDIT

EXHIBIT E2
SOLICITATION NO. HP861222

FMNP Redemption Criteria - Conditional Edits (Continued)

Code

- M ■SECOND PRESENTMENT - VOID DO NOT REDEPOSIT**
FOOD INSTRUMENTS THAT HAVE BEEN RETURNED AND STAMPED WITH A "VOID DO NOT REDEPOSIT" STAMP.
- CONSIDERED A SECOND PRESENTMENT:
EARLY CASHING UNREADABLE VENDOR
MISSING SIGNATURE ALTERED
DEPOSITED LATE \$ AMOUNT TOO HIGH
INVALID VENDOR NUMBER
- ALLOWED TO COME BACK A SECOND TIME:
MISSING VENDOR NUMBER – IF THE VENDOR NUMBER IS STILL MISSING ON THE THIRD TIME IN THE SYSTEM, RETURN AS A SECOND PRESENTMENT
- H ■OVER ACCOUNT MAX**
THIS IS AN AUTOMATED EDIT
- C ■DATE OF USE INVALID - VOID DO NOT REDEPOSIT**
DATE WILL BE HANDWRITTEN OR STAMPED AND NEEDS TO FALL WITHIN THE FIRST DATE OF USE AND THE LAST DATE OF USE TO BE A VALID DATE AND IN ORDER FOR THE ITEM TO BE PAID. WATCH FOR INTERNATIONAL DATE – YEAR, MONTH, DAY 05-04-26, IT IS OKAY TO PAY)
- IF DATE IS INVALID, CHECK THE RINGER TO DETERMINE IF WE SHOULD PAY THE ITEM – THE RINGER INFORMATION MUST VALIDATE THAT THE CHECK WAS PRESENTED BETWEEN THE FIRST DATE AND LAST DATE TO USE TIMEFRAME.
- ** EXAMPLE 1: ITEM FACE SHOWS 1/2/07, RINGER SHOWS 2/2/07, IF 2/2/07 FALLS BETWEEN FIRST AND LAST USE DATE ITEM IS VALID.
- ** EXAMPLE 2: ITEM FACE SHOWS 2/2/06, RINGER SHOWS 2/2/07, IF 2/2/07 FALLS BETWEEN FIRST AND LAST USE DATE ITEM IS VALID.
- **EDIT ENDORSEMENT DONE
- J ■DATE OF USE MISSING - VOID DO NOT REDEPOSIT**
THE RECORDED DATE OF PURCHASE IS MISSING
- IF THE DATE IS CHANGED OR ANY PART OF IT IS MISSING, CHECK THE RINGER TO DETERMINE IF WE SHOULD PAY THE ITEM.
- IF THERE IS NO DATE OR RINGER THEN COMPARE TODAY'S DATE TO THE VALID MONTH. IF TODAY'S DATE IS ON OR AFTER THE FIRST USE DATE PLUS TWO DAYS, AND ON OR BEFORE THE LAST USE DATE PLUS TWO DAYS, THEN PAY AND DO NOT RETURN.

****EDIT ENDORSEMENT DONE**

EXHIBIT F1
SOLICITATION NO. HP861222

PAID File Layout

Record lay out for PAID File

Detail Record PAID File

Position	Length	Type	Description
01 – 10	10	N	Food Instrument (FI) / SERIAL NUMBER
11 – 11	1	N	1 zero FILLER
12 – 17	6	N	VENDOR NUMBER
18 – 25	8	N	PROCESS DATE (Posted) MMDDYYYY
26 – 26	1	N	STATUS CODE (R-reject, P-paid, M-manual adjustment, S-missing issuance)
27 – 27	1	N	ACCEPT CODE (X-paid normal, Y- override, Z-state override, W-missing issuance)
28 – 28	1	N	REJECT CODE (A-altered, B-early cashing, C-date of use invalid, D-missing signature, E-unauthorized vendor number, F-deposited late, H-over account maximum, I-dollar amount too high for food instrument type, J-date of use missing, K-stop payment issued, M-second presentment, N-missing vendor number, U-unreadable vendor number)
29 – 34	6	N	PAID AMOUNT – two bytes assumed decimal
35 – 40	6	N	Peer Group Average Amount at time of Redemption
41 – 46	6	N	REJECTED AMOUNT – two bytes assumed decimal

Trailer Record PAID File

Position	Length	Type	Description
01 – 05	5	C	Literal Value always “TOTAL”
06 – 14	9	N	TOTAL COUNT OF ITEMS
15 – 25	11	N	TOTAL AMOUNT PAID – two bytes assumed decimal
26 – 36	11	N	TOTAL AMOUNT REJECTED – two bytes assumed decimal

EXHIBIT F2
SOLICITATION NO. HP861222

Farmers' Market PAID File Layout

Record lay out for PAID File
Detail Record PAID File

Position	Length	Type	Description
01 – 10	10	N	COUPON / SERIAL NUMBER
11 – 15	5	N	GROWER STAMP
16 – 23	8	N	DATE POSTED Format MMDDYYYY
24 – 24	1	A	STATUS
25 – 25	1	A	ACCEPT CODE
26 – 26	1	A	ALTERNATE RETURN CODE
27 – 32	6	N	ORIGINAL AMOUNT – two bytes assumed decimal
33 – 38	6	N	AMOUNT RETURNED – two bytes assumed decimal

Trailer Record PAID File

Position	Length	Type	Description
01 – 05	5	A	Literal "TOTAL"
06 – 14	9	N	TOTAL COUNT OF ITEMS
15 – 25	11	N	TOTAL AMOUNT PRESENTED – two bytes assumed decimal

EXHIBIT G1

SOLICITATION NO. HP861222

WIC Food Instrument Processing Reports

Report Name	Report Content
Posting Summary	Listing of all reversed debit items for which full credit has been applied to the account (i.e., posting errors or photocopy duplicates). Also, list all adjusted items that were posted for an incorrect amount and identified during processing for correction (i.e., an encoding error made by the vendor's bank of first deposit or a MICR misread). Bank posted items, less the returns and adjustments and reverse debits, and vendor debits (initial and/or additional attempts), equal the net payment for the day/month.
All Items	<p>Detailed list of all items posted to the bank account. Items coded as PAID or RETURN and provide a summary of each (count and amount by type).</p> <p>PAID types include: adjustments, compliance buys, force post, force authorized stamp, force vendor # endorsement, void, not issued, previously returned, redeemed at maximum, regular paid.</p> <p>RETURN types include: missing vendor #, unreadable vendor #, invalid vendor #, stale date, early cashing, missing signature, altered, redeemed date not in valid month, purchase date missing.</p>
Return Items	List all return items by vendor number. List return amount, maximum amount, first use date and paid date. All items identified as unreasonable dollar amount are sent to the vendor debit/credit warehouse to be processed at the maximum by food instrument type and vendor peer group.
Compliance Buy	List all items that are forced to pay, by vendor.
Voided Items	List all items that are paid or returned in the report month for which the contractor has received a void record. List all return reasons.
Vendor Audit (Vendor Pull List)	List all redemptions (sorted by food instrument #) for any vendor(s) flagged by the program.

EXHIBIT G1
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WIC Food Instrument Processing Reports (Continued)

Report Name	Report Content
Not Issued	List all items presented without an issuance record. Summary will provide count and amount for PAID and RETURNED.
Paid Exceptions	List all items that were paid with some type of exception condition, other than "NOT ISSUED".
Endorsement Force List	List all items that had information missing from the front of the food instrument but information was obtained from the endorsement information on the back of the food instrument (i.e., vendor name, date redeemed, etc.) and item is paid.
Average by Food Instrument Type	List the number item count and item amount by food instrument type, and the item average amount. Also, list the program maximum amount by food instrument type and peer group that was in effect as of the report/paid date.
Vendor Totals by Vendor Number	List total items processed for each vendor, and the net paid and returned.
Vendor List in Vendor Number Order	Lists all vendors in the contractor's database as authorized and is used at the time of editing food instruments.
Redemptions by Vendor	Lists all items processed by vendor (vendor number order and then food instrument order).
Vendor Quarterly Activity Summary in Vendor Name Order	Lists all items processed by vendor for one year and broken up into per quarter summaries.
Maximum by Food Instrument Type	Lists the maximum amount that will be paid for a food instrument type by vendor peer group. The report that is generated from this information each month should be separated by each peer group (each peer group shall start on its own page), list each item numerically (smallest to largest) by FI Type, and the maximum pay amount for each FI Type per each peer group.
WIC Vendor File Load	Lists food instrument types, pay amounts and vendor information that is sent in the vendor file from the previous night.
Vendor Debit/Credit Recap	Provides a summary of all vendor debits and credits that were processed for the prior month
Vendor Debits/Credits	Provides a detailed list of all vendor debits and credits that were processed for the prior month

EXHIBIT G1
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WIC Food Instrument Processing Reports (Continued)

Report Name	Report Content
Food Instrument Debits/Credits by Food Instrument Type	Lists all vendor debits and credits processed by food instrument type.
Debit/Credit Re-attempts	Lists all items that for some reason were not able to be debited from or credited to the vendor's account and an additional attempt to debit/credit had to be processed.
Vendor Debit/Credit Warehouse	Lists all items that will be debited from or credited to the vendor's account for the amount over the maximum allowed by food instrument type and vendor peer group.
Vendor Statement	Lists a copy of all bank statements that were sent to the appropriate vendors for all debits or credits that were processed for their account.
Vendor Edit Detail Report	List all items which pass all edit criteria and the vendor will be paid the maximum amount allowed for the food instrument type by vendor peer group through a debit or credit to their account. Also list the error reason for all items that are not successfully debited or credited.
Report of Returns	Lists all vendor account information for all unsuccessful debits or credits.
Prenotes Report	Lists all vendors that received a "test" transmission to ensure that their account is set up to allow debits or credits.

EXHIBIT G2
SOLICITATION NO. HP861222

Farmers' Market Coupon Processing Reports - WIC and Senior

Report Name	Report Content
Posting Summary	Listing of all reversed debit items for which full credit has been applied to the account (i.e., posting errors or photocopy duplicates). Also, list all adjusted items that were posted for an incorrect amount and identified during processing for correction (i.e., an encoding error made by the grower's bank of first deposit or a MICR misread). Bank posted items, less the returns and adjustments and reverse debits, and reissues, equal the net payment for the day/month.
All Items	Lists all items that fall within the designated serial number. Items coded as PAID or RETURN and provide a summary of each (count and amount by type). PAID types include: force grower # endorsement, previously returned, regular paid. RETURN types include: missing grower#, unreadable grower #, invalid grower #, stale date, early cashing, missing signature, altered, unreasonable dollar amount, redeemed date not in valid month.
Return Items	List all returned items by coupon serial number and then grower number. List return amount, maximum amount, first use date and paid date.
Paid Items – Previously Returned	List all items previously returned. Sort by coupon serial number and then grower number. List paid amount and paid date.
Paid Exceptions	List all items that were paid with some type of exception condition.
Grower Totals by Grower Number	List total items processed for each grower, and the net paid and returned.
Grower Quarterly Activity Summary in Grower Name Order	Lists all items processed by grower for one year and broken up into per quarter summaries.
WIC Range Report	Lists all coupons redeemed by serial number and grouped in range order by local agency.

EXHIBIT H
SOLICITATION NO. HP861222

Food Instrument Type File Layout

General Format Rules for All Files.

Standard Format – Fixed length. The file will be in the ASCII format. Records will be separated by a carriage return and line feed (hexadecimal codes: 0D0A) at the end of each record. The carriage return/line feed pair are not counted in the record length.

The following types apply to all of the record layouts:

N = Numeric, right justified zero filled

A = Alpha numeric, left justified space filled.

Record lay out for TYPE File

Detail Record, (TYPE FILE)

Position	Length	Type	Description
01 – 02	2	N	Peer Group Code
03 – 08	6	C	Food Instrument (FI) Type Number
09 – 10	2	C	FI Type Code
11 – 12	2	C	Filler (currently with “**”)
13 – 18	6	N	Average redemption amount FORMAT 9(04)99with two assumed decimal values.
19 – 24	6	N	Maximum redemption amount FORMAT 9(04)99with two assumed decimal values.

Trailer Record, (TYPE FILE)

Position	Length	Type	Description
01 – 05	5	C	Literal Value always “TOTAL”
06 – 11	6	N	Total record count FORMAT 9(06).



EXHIBIT I CERTIFICATE OF INSURANCE

ARIZONA DEPARTMENT OF HEALTH SERVICES

1740 West Adams Street, Room 303
Phoenix, Arizona 85007
(602) 542-1040
(602) 542-1741 -FAX

Solicitation No.: HP861222 SAMPLE

PRIOR TO COMMENCING SERVICES UNDER THIS CONTRACT, THE CONTRACTOR MUST FURNISH THE DEPARTMENT, CERTIFICATION FROM INSURER(S) FOR COVERAGES IN THE MINIMUM AMOUNTS AS STATED BELOW, THE COVERAGES SHALL BE MAINTAINED IN FULL FORCE AND EFFECT DURING THE TERM OF THIS CONTRACT, AND SHALL NOT SERVE TO LIMIT ANY LIABILITIES OR ANY OTHER CONTRACTOR OBLIGATIONS

NAME AND ADDRESS OF INSURANCE AGENCY	A	COMPANY LETTER	COMPANIES AFFORDING COVERAGE
	B		
	C		
Name And Address of Insured	D		

This is to certify that the policies of insurance listed below have been issued to the insured named above and are in force at this time

Company Letter	Type of Insurance	Policy Number	Policy Expiration Date	Limits of Liability Minimum – Each Occurrence	
	<input type="checkbox"/> Comprehensive General Liability <input type="checkbox"/> Premises Operations <input type="checkbox"/> Contractual <input type="checkbox"/> Independent Contractors <input type="checkbox"/> Products/Completed Operations <input type="checkbox"/> Personal Injury <input type="checkbox"/> Broad Form Property Damage <input type="checkbox"/> Explosion & Collapse (If Applicable) <input type="checkbox"/> Underground Hazard (If Applicable)			Bodily Injury Per Person Each Occurrence Property Damage OR Bodily Injury AND Property Damage Combined	\$1,000,000 \$2,000,000 \$1,000,000 \$1,000,000
	<input type="checkbox"/> Comprehensive Auto Liability Including Non-Owned (If Applicable)			Same as Above	
	<input type="checkbox"/> Umbrella Liability			Necessary if Underlying Not Above Minimum	
	<input type="checkbox"/> Workmen's Compensation and Employer's Liability			Statutory Each Accident	\$500,000
	<input type="checkbox"/> Other				

State of Arizona and the Department named above are added as additional insured as required by statute, contract, purchase order or otherwise requested. It is agreed that any insurance available to the named insured shall be primary of other sources that may be available.

It is further agreed that no policy shall expire, be canceled or materially changed to affect the coverage available to the State without thirty (30) days written notice to the State. THIS CERTIFICATE IS NOT VALID UNLESS COUNTERSIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE INSURANCE COMPANY.

Name and Address of Certificate Holder:

Date Issued _____

Authorized Representative